

STATEMENT BY KATHERINE STEVENSON, ASSOCIATE DIRECTOR, CULTURAL RESOURCE STEWARDSHIP AND PARTNERSHIPS, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS AND PUBLIC LANDS, HOUSE COMMITTEE ON RESOURCES, CONCERNING THE LAND AND WATER CONSERVATION FUND STATE GRANT-IN-AID PROGRAM.

MARCH 11, 1997

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to testify on one of the National Park Service's important partnership programs, the Land and Water Conservation Fund (LWCF) state grant-in-aid program.

As you travel across the country, in your State and in your District, many of the park sites you visit, from the smallest inner-city athletic field to the greatest expanses of wilderness, have a common link: the LWCF program. Given available resources, however, the Administration and Congress have decided to focus LWCF funding on top-priority Federal acquisitions for parks, forests, refuges and public lands. The LWCF State grants assistance program was not funded for Fiscal Years 1996 and 1997. In keeping with the Administration's ongoing efforts to balance the budget, funding was not proposed for FY 1998 nor are there plans to request any new grant appropriations in the foreseeable future. Instead, the Administration proposes funding for the most critical projects needed to protect resources or improve management of authorized parks and other areas.

The unique place of the LWCF in America's conservation and recreation legacy can be better understood through a quick review of its origins.

During the Eisenhower Administration, increasing consciousness of public health and environmental issues and an expanding need for recreational space resulted in the creation of the Outdoor Recreation Resources Review Commission (ORRRC) in 1958.

After three years of research, the bipartisan Commission developed specific recommendations for a national recreation program. The ORRRC report emphasized that State, local, and the Federal

governments and the private sector were key elements in the total effort to make outdoor recreation opportunities widely available.

Largely as a result of ORRRC's work, the Land and Water Conservation Fund Act was passed and signed into law on September 3, 1964, as Public Law 88-578. The Act established a funding source for both Federal acquisition of park and recreation lands and matching grants to state and local governments for recreation planning, acquisition and development. It set requirements for state planning and provided a formula for apportioning annual LWCF appropriations to the States and Territories.

The Act reflects two historic principles:

- 1) to provide predictable annual funding for high priority capital investments that help ensure conservation of our nation's natural resources and our ability to meet recreation needs, not only for the immediate present, but for future generations as well; and
- 2) to reinvest a significant portion of Federal returns from exploitation of one key natural resource, the mineral products removed from the Outer Continental Shelf areas, in conservation of other key natural resources, namely public parks, wildlife habitats and other recreation resources.

By incorporating these principles, the LWCF Act became a model for resource conservation programs in many jurisdictions around the country.

Several increases in the fund culminated with enactment of P.L. 95-42 in June 1977, which raised the authorization level of the Fund to \$900 million for FY 1978 and subsequent years. The increases in the Fund's authorization over the years reflected Congress' understanding that the needs for the Fund had expanded in three ways: the State grant program needed to give more emphasis to urban parks and recreation areas; the grant program should help acquire and develop recreation facilities within urban areas; and the Federal side of the Fund program needed to contribute to meeting close-to-home

recreation needs. The appropriations authority under the original LWCF Act was extended through 2015 with the enactment of P.L. 100-203.

Since 1965, funding for the grants program has averaged approximately \$105 million per year. Recently, the annual appropriations have been below this average: The FY 1995 appropriation totalled \$24.7 million, and in FY 1996 and 1997, the appropriation for new grants was zero.

Initially, three sources of revenue to the fund were designated: proceeds from sales of surplus Federal real property, motorboat fuel taxes and fees for recreation use of Federal lands. The level of funding from FY 1966 through FY 1968 reached about \$100 million per year, which was far short of Congress' expectations. To remedy this shortfall, it was proposed that Outer Continental shelf (OCS) mineral leasing receipts be tapped. In 1968, P.L. 90-401 raised the Fund's level to \$200 million a year for five years making OCS revenues available to cover the difference between this minimum level and receipts from other sources.

LWCF Grant Process

Simply put, the LWCF grant program is a State-driven grant program. Each State receives a share of each annual appropriation called an "apportionment". This apportionment is made by the Secretary and is based on a legislative formula. Through a statewide planning process prescribed by the Act, each State, in concert with its local jurisdictions and subdivisions, establishes state priorities which serves to target the expenditures where the recipients, not the federal government, feel that it is needed most.

Grants are made on a matching basis of no more than 50 percent for the acquisition and development of public outdoor recreation areas and facilities.

LWCF Program Accomplishments

For the LWCF State grants program, over \$3.2 billion have been appropriated to the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Marianas for planning, acquisition and development of outdoor recreation opportunities in the United States.

Through FY 1995, a total of 37,300 projects have been approved to support the acquisition of open space for park lands or the development of outdoor recreation facilities. The Federal share of \$3.2 billion has been matched by State and local contributions, for a total LWCF grant investment of over \$6.5 billion. States have received about 8,200 grants and counties some 4,800, while cities, towns and other local agencies matched more than 24,000 grants.

Of the total number of projects, about 10,000 have helped States and localities to acquire some 2.3 million acres of park land. Almost 27,000 projects have been for the development of outdoor recreation facilities. Seventy-five percent of the total funds obligated have gone to locally sponsored projects to provide close-to-home recreation opportunities that are readily accessible to America's youth, adults, senior citizens and the physically or mentally challenged.

These facilities are down the street, across town, in the inner city, they're in virtually every nook and cranny of our country and serve every segment of the public. Millions of Americans and visitors to this country have walked, jogged, picnicked, hiked, biked, fished, hunted golfed, or hit a ball in at least one of these areas. These are the destination State parks for families of campers and hikers; parks where kids learn baseball and how to swim; parks where grade school classes visit nature centers.

THE LEGACIES OF LWCF

From a historical perspective, the LWCF has contributed significantly to the outdoor recreation estate over its 30 years of existence. With funding ranging from several thousand dollars for picnic areas to millions for new national and state park lands, conservation areas and recreation facilities, the LWCF has had broad impact on outdoor America. Significant also is that a considerable amount of

the income going to the Fund has come about through the leasing of offshore mineral rights, thus recycling an important natural resource back to public use. While one non-renewable resource is being used another is being protected.

It is important to note that, in addition to the large number of projects, LWCF grants have had substantial long-term effects on our overall attitudes and policies toward outdoor recreation. The first legacy of this kind is the notion, basic to the LWCF Act, that States must assume a leadership role as providers of recreation opportunities.

Today, there is clear evidence that the LWCF program has resulted in States taking greater responsibility for the protection and development of recreation resources at every level. The results of State leadership extend beyond simple increases in the size and number of recreation areas. Among other things, they include State actions to establish scenic river and recreational trail systems, to capitalize on the value of recreation resources in stimulating tourism and other economic opportunities, and to provide additional financial and technical assistance to local recreation efforts through State planning, grant, and loan programs.

Second, when the Fund was established, State recreation planning was essentially non-existent. Statewide recreation planning has given States and their citizens new tools to analyze recreation needs and alternatives in a systematic and responsive way. Indeed, many states now require that local governments develop recreation plans as a condition for any type of Federal or State recreation assistance.

The third legacy is our fiduciary responsibility. Section 6(f)(3) of the Act that requires all property acquired or developed with LWCF assistance must be maintained perpetually in public outdoor recreation use. Section 6(f)(3) is the cornerstone of the local/State/Federal partnership and provides assurance that, regardless of future funding levels, each one of the sites receiving assistance under this program is protected and will remain in public park and recreation use in perpetuity. This provision has immeasurable impact on long-term protection of recreation resources.

Section 6(f) is strong. This provision reduces the temptation to use LWCF-assisted park lands as a “cheap” or convenient” land-bank for strip mall or other non-recreation developments. Section 6(f) is also flexible. It recognizes that times and demographics change and that another use for the Fund-assisted property might one day be more appropriate. In these cases, converting the property to another use is called a conversion and is allowed as long as it is replaced with other property of at least equal fair market value and usefulness.

The protective language of the law has prevented a large number of “nuisance” conversions. It has also worked in hundreds of successful cases where conversions have been approved. Here, the replacement lands have protected the original public investment and either maintained or enhanced the public recreation estate. The law has also withstood testing in the courts and found to be strong.

Consistent oversight over the years has ensured permanency of LWCF's contributions to the national recreation estate. The most tangible evidence of the program in future years will be the tens of thousands of recreation sites across the country that will remain available for us and our children and our grandchildren.

LWCF PROGRAM STATUS

The vision of the Outdoor Recreation Resources Review Commission in 1958 has been repeatedly reaffirmed. The President’s Commission on Americans Outdoors concluded in 1986 that a successor to the LWCF (due at that time, to expire in 1989) should be created and dedicated from the sale of nonrenewable resources. In 1994 a committee established by the National Park System Advisory Board recognized our national failure to invest and reinvest in parks and recreation and proposed an American Network of Parks and Open Space and the revitalization of the LWCF and UPARR programs; and as recently as this year, the Americans for our Heritage and Recreation Coalition, consisting of a number of disparate groups which banded together to seek a reliable funding source for America’s conservation and recreation needs, concluded that the LWCF is “arguably the most important environmental program of this century” and that a reliable source of funding should be restored.

We believe that it is essential to maintain the spirit and intent of the LWCF Act as provided for under Section 6(f)(3). In keeping with this direction, late last year, NPS established a special team to develop plans to accomplish these objectives. More specifically, the team has been charged with offering recommendations to accomplish the following:

- expeditiously close-out the LWCF grants project selection, approval, and reimbursement processes;
- establish an effective and efficient plan of action to protect the legacy created through the 37,000+ funded projects.

The team has focused its initial energies on developing actions to close-down grant project operations as soon as possible. A draft plan of action was adopted and distributed at a special business meeting of the National Association of State Outdoor Recreation Liaison Officers (NASORLO) in St. Louis on February 8. No opposition was expressed to the proposal by NASORLO. As of February 26, the following recommendations have been implemented:

- the LWCF obligation process (which now uses unobligated funds from prior years' appropriations to fund a handful of new projects), will be terminated effective August 30, 1997;
- all active projects with unexpended balances will be terminated effective September 30, 2000. (Ending dates for new and amended projects are limited to that same date).

It should be noted that the Service, under the Administration's reinvention and downsizing initiative, has significantly reduced LWCF administrative costs, e.g., a 62 percent reduction in FTE's since FY 1993. Further reductions are scheduled for FY 1998 which is in accord with the Administration's budget request. It should be noted that the lack of newly-appropriated funds for LWCF grant-in-aid assistance does not translate to a lack of need for program administrative support. In addition, the Secretary has continuing fiduciary responsibilities regarding the protection and stewardship for over

30,000 assisted sites as well as for over 600 projects which have contractual expiration dates extending into the end of year 2000.

Thank you again for this opportunity. I will be glad to answer any questions you may have.